

**UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF TENNESSEE
KNOXVILLE DIVISION**

In re Provectus Biopharmaceuticals, Inc.
Derivative Litigation

Case No. 3:14-cv-00372-PLR-HBG

District Judge Pamela L. Reeves

Magistrate Judge H. Bruce Guyton

**[PROPOSED] ORDER PRELIMINARILY APPROVING SETTLEMENT AND
PROVIDING FOR NOTICE**

WHEREAS, a consolidated shareholder derivative action is pending before this Court styled *In re: Provectus Biopharmaceuticals, Inc. Derivative Litigation*, Case No. 3:14-cv-00372-PLR-HBG;

WHEREAS, Plaintiffs, on behalf of all Settling Parties, have made an application for an order: (i) preliminarily approving the proposed settlement (the "Settlement") of the Litigation in accordance with the Stipulation of Settlement dated _____, 2016 (the "Stipulation"), which, together with the Exhibits annexed thereto, sets forth the terms and conditions for a proposed settlement of the Litigation and for dismissal of the Litigation with prejudice upon the terms and conditions set forth therein, (ii) approving for distribution of the Notice of Pendency of Proposed Settlement of Shareholder Derivative Action (the "Notice"), and (iii) setting a date for the Settlement Hearing;

WHEREAS, the Court has read and considered the Stipulation and the Exhibits annexed thereto; and

WHEREAS, unless otherwise noted, all capitalized and defined terms herein have the same meanings as set forth in the Stipulation.

NOW, THEREFORE, IT IS HEREBY ORDERED:

1. The Settlement appears to be the product of serious, informed, arms-length negotiations, has no obvious deficiencies, provides substantial value to the Company, and falls

within the range of possible approval and, therefore, merits further consideration.

2. The Court does hereby preliminarily approve the Settlement set forth in the Stipulation, subject to further consideration at the Settlement Hearing described below.

3. A hearing (the "Settlement Hearing") shall be held before this Court on _____, 2016, at __:00 __.m., at the United States District Court for the Eastern District of Tennessee, Knoxville Division, Room _____, Howard H. Baker, Jr. United States Courthouse, 800 Market Street, Knoxville, TN 37902 to determine whether the proposed Settlement of the Litigation on the terms and conditions provided for in the Stipulation is fair, reasonable, and adequate to Current Provectus Shareholders and Provectus and should be approved by the Court; to determine whether the Final Order and Judgment as provided in Exhibit D of the Stipulation should be entered; and to determine whether the Fee and Expense Amount agreed to by the Settling Parties should be awarded to Plaintiffs' Lead Counsel for the benefit of Plaintiffs' Lead Counsel, Plaintiffs' Liaison Counsel and State Court Plaintiffs' Counsel. The Court may adjourn the Settlement Hearing without further notice to current or former Provectus stockholders.

4. The Court approves, as to form and content, the Notice annexed as Exhibit C to the Stipulation and finds that the distribution of the Notice substantially in the manner and form set forth in this Order meets the requirements of due process and applicable law, is the best notice practicable under the circumstances, and shall constitute due and sufficient notice to all persons entitled thereto. All reasonable expenses incurred in providing the Notice set forth herein shall be paid as set forth in the Stipulation.

5. Provectus shall undertake the administrative responsibility for giving notice to Current Provectus Shareholders and shall be responsible for paying the costs and expenses related to providing such notice to its shareholders. Within ten (10) calendar days after the entry of this Preliminary Approval Order, Provectus shall post a copy of the Notice and Stipulation on the Company website, shall file a Form 8-K with the U.S. Securities and Exchange Commission that includes the Notice, and shall refer shareholders to the websites of Plaintiffs' Lead Counsel to view the detailed Notice and Stipulation.

6. Within ten (10) calendar days after entry of this Preliminary Approval Order,

Plaintiffs' Lead Counsel shall post a copy of the Notice and Stipulation on its website.

7. At least seven (7) calendar days prior to the Settlement Hearing, Defense Counsel and Plaintiffs' Lead Counsel shall file with the Court an appropriate affidavit or declaration with respect to providing the notice in compliance with paragraphs 5 and 6 of this Preliminary Approval Order.

8. All Current Provectus Shareholders shall be subject to and bound by the provisions of the Stipulation, the releases contained therein, and by all orders, determinations and judgments, including the Final Order and Judgment, in the Litigation concerning the Settlement.

9. Any Current Provectus Shareholder may enter an appearance in the Litigation, at their own expense, individually or through counsel of their own choice. If they do not enter an appearance, they will be represented by Plaintiffs' Counsel.

10. Any Current Provectus Shareholder who wishes to object to the Settlement and/or show cause why it should not be approved, why the Judgment should or should not be entered thereon, or why the Fee and Expense Amount should not be awarded shall state all reasons for the objection and shall also: (a) state the case name and number, *In re: Provectus Biopharmaceuticals, Inc. Derivative Litigation*, Case No. 3:14-cv-00372-PLR-HBG; (b) provide proof of current ownership of Provectus stock as well as documentary evidence of when such stock ownership was acquired; (c) clearly identify any and all evidence that would be presented at the Settlement Hearing in connection with such objection(s); (d) identify any case, by name, court, and docket number, in which the objector or his attorney, if any, has objected to a settlement in the last three years; and (e) include a proof of service signed under penalty of perjury.

11. All objections and accompanying materials shall be filed and served at least fourteen (14) calendar days prior to the Settlement Hearing as follows: (a) personally filed with the Clerk of the Court, Howard H. Baker, Jr. United States Courthouse, 800 Market Street, Suite 130, Knoxville, Tennessee 37902, and (b) served by first class U.S. Mail and/ or through the Court's electronic filing system on counsel for the Settling Parties. Any Current Provectus Shareholder wishing to be heard at the Settlement Hearing is required to include a notice of intention to appear at the Settlement Hearing together with his, her, or its written objection. Only shareholders who have filed with the

Court and served on the Settling Parties' counsel valid and timely written notices of objection and accompanying materials will be entitled to be heard at the hearing, unless the Court orders otherwise.

12. Any Current Provectus Shareholder who does not make his, her, or its objection in the manner provided in this Order shall be deemed to have waived such objection and shall forever be foreclosed from making any objection to the fairness, reasonableness or adequacy of the proposed Settlement and to the Fee and Expense Amount as set forth in the Stipulation.

13. All papers in support of the Settlement and the Settling Parties' responses to objections by Current Provectus Shareholders, if any, shall be filed with the Court and served at least seven (7) calendar days prior to the Settlement Hearing.

14. The Court retains jurisdiction over all proceedings arising out of or relating to the Stipulation and/or the Settlement.

15. If the Settlement is not approved by the Court, is terminated, or shall not become effective for any reason, the Litigation shall proceed, completely without prejudice to any party as to any matter of law or fact, as if the Stipulation had not been made and had not been submitted to the Court, and neither the Stipulation, any provision contained in the Stipulation, any action undertaken pursuant thereto, nor the negotiation thereof by any party shall be deemed an admission or offered or received in evidence at any proceeding in the Litigation or any other action or proceeding.

16. Without further order of the Court, the Settling Parties may agree to reasonable extensions of time to carry out any of the provisions of this Order or the Stipulation.

17. Pending final determination as to whether the Settlement as set forth in the Stipulation should be approved, no Current Provectus Shareholder shall commence, prosecute, pursue, or litigate any Released Claim against any Released Persons.

IT IS SO ORDERED.

DATED:

U.S. DISTRICT JUDGE/U.S. MAGISTRATE
JUDGE

APPROVED FOR ENTRY:

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